

PROLOGUE

THE COMING STORM

They say that lightning never strikes twice in the same place but I'm about to demonstrate otherwise. Stand back. Over the coming weeks and months, I predict I'll be struck by lightning time and again -- by criticisms so intense and so frequent I'll be transformed into a living likeness of Sideshow Bob, the cartoon character from the long running FOX television show *The Simpsons* whose hair is so wild and wiry it appears as though electricity pulses through his veins rather than blood.

Gitty up. The grief I'll take for what follows is but one of the waypoints through which I must pass on my long journey toward expiation. Earlier, I had hoped this part of my trip might somehow be avoided. But, crazy though it might now seem, I've come to take comfort in this milestone coming -- or, perhaps better put, in having it behind me. As I travel back up from rock bottom, I've come to recognize that my life improves with each passing station.

For more than a year now, I've worked hard to document the rise and fall of Meridian Group, the now failed company I toiled for more than 20 years to build, and to make some sense of the financial carnage I caused. It was a tall order because my life had become a terribly tangled ball of twine that, in the end, was complete with more than a dozen bankrupt companies -- all previously owned by me -- and a criminal prosecution for fraud. This meant that any story that sought to make sense of the terrible mess I had made of my life, as this one does, promised to be complicated to tell. I've done my best.

The story also promised to be unpleasant to tell -- in no time, it seemed, my therapeutic little writing project had morphed into a bloodletting and a deep pall had fallen over me. As I began to comprehend the gravity of it all, as I came to see just how much of an anathema I had become, the proud and invincible me vaporized. For the first time, I saw myself for who I really was -- an emperor with no clothes -- and it cast me into a deep funk. Angry and depressed, I took to hiding out alone for days on end. But that only seemed to make my situation worse -- indeed, I learned first hand just how dangerous it can be to spend time alone with a self you hate. In such trying circumstances, real progress toward an inner peace must be made lest the internal conflict reaches a fever pitch that pits the warring factions of the soul in a duel to the death of its mortal host. Dark words for dark times. Although I often wished I hadn't started this project, I'm glad that I finished it because, in the end, it was cathartic. Most importantly, it left me with a clear understanding of what I must do to right my life.

It starts here.

Fair warning: the following pages present a troubling story that may prove difficult to read. First up, how could I have been so stupid? How could someone as smart as me have been blinded by an endless -- and completely irrational -- confidence in a positive outcome despite odds longer than winning the lottery? Reading of an optimism that knew no bounds will fascinate you in places and infuriate you in others, particularly when you read of just how easy it would have been to put an end to it all before the situation got out of hand and laws were broken. Further in, you'll be

disturbed to learn that there's so much more to this tragedy than meets the eye or that can be gleaned from the news reports.

In other words, the details matter here. Without them you'll never fully understand, for example, what I did or why I did it. Nor will you ever fully understand how what I did affected others -- how the circus I created, for example, left Meridian's investors exposed to being repeatedly victimized. First by my own megalomania and then, later, by a badly botched recovery attempt, a dysfunctional bankruptcy process, a perversely incented criminal justice system and -- in a landslide voting victory, exiting stage right with the "What The Hell" award in hand -- by a daft and disgruntled former employee seeking his own 15 minutes of fame. All of these bizarre human elements, each with its own collection of essential details, left me working hard to strike a delicate balance here. Yes, I accept responsibility for my actions. Indeed, I embarked on this project because I want everyone to know that I sincerely regret the damage I caused. Toward that end, I want for nothing to cheapen the sincerity of the apology this work is intended to convey.

And therein lies the rub. My need to atone for my actions often left me confused and wondering, as I wrote the chapters that follow, how readers will judge me noting such details -- the dubious actions of those who capitalized on the opportunities I created, for example. Will my writing of such things be seen as an attempt by me to focus blame away from myself and on to them? It isn't, but why shouldn't readers see it that way? An arsonist who lites a match has no right to criticize the fire department for failing to save the building he lit on fire.

Alright. Fair enough. But how about this? What if the fire chief arrives on the scene of the crime and recognizes that the burning building is the home that obstructs the view from his own home of the waterfront? So, recognizing that his own home would be made more valuable with the burning structure gone, he instructs his fire fighters to stoke the fire rather than fight it. What now? In other words, what are we to make of those who artfully pull their own scam -- feather their own nest or further their own agenda -- expecting that the blame for their own misdeeds will be laid on a criminal who came before them?

This philosophical dilemma loomed large here because, once again, the hematology of this complex story isn't to be understood if the actions of those who lined their own pockets, advanced their own career, or settled an old score are left out of the narrative. This is a story of betrayal -- a betrayal that, in the end, was made worse by a fascinating mosaic of wrongdoing perpetuated by a short list of others who, under the ruse of good Samaritan or dedicated public servant, acted same as the fire chief -- in their own best interest and without due regard for the victims. And, yes, I lit the match.

What to do? As I struggled to decide how much of the story I should tell, a book that told everything slowly began to take shape on my computer screen in spite of the question. To cite an example, that book told of how a bankruptcy trustee's dishonesty with a key lender ended up costing the investors in Meridian untold millions of dollars in recovery from the sale of MTR. If I don't tell of this, who will? Certainly not the bankruptcy trustee himself. At some point, and I don't recall exactly when, I came to realize that the exorcism I so badly needed to write was an all or nothing thing. Oh my! Katie bar the door. With the question resolved, I plowed forward with telling the story -- the whole story, seedy underbelly and all -- promising myself I would return to

the beginning of the book when I had finished, explain my dilemma in a prologue, and steel myself for the melee to come. You are here.

Cue the lightning.

As you explore the chapters that follow, you'll quickly recognize that there's only one subject that's sacred to me, one place I haven't gone, one part of the story I haven't told, and that's writing of how all of this has impacted my personal relationships. My family, my friends, my former domestic partner, they're also victims and, as such, they deserve privacy as they work to move on and rebuild their lives. That said, I understand and can appreciate that many of you want -- perhaps you even need -- to know that I'm being appropriately punished. Point taken. While I understand that nothing would illustrate that better than for me to write of the interpersonal hell I've endured, I will not do it because it cannot be done without laying bare the lives of good and innocent people and without salting wounds that are still painfully raw. If I've learned anything over the past year, it's that the hearts I've hurt will heal on their own schedule. For now, my place is to sit tight and keep the faith. The people I love will come back in to my life if and when the time is right for them.

The closest I come to speaking of being apart from those I love is writing of my golden retriever. I raised my puppy Tawny from when she was but ten weeks old and she was always by my side for the entire 13 years we were together, including up to the moment I was arrested on October 21, 2010. We were a team, Tawny and me, and she might well be my proudest achievement. We went everywhere together, including into the office on a daily basis for more than a decade, and I miss her terribly. I take comfort in knowing that she's now with my family in Southern Oregon and that she continues to live the life of an admired dog. She deserves it. I saw fit to include her here because I knew that, if she could, she'd want you to know that I'm more than just the evil incarnate this spectacular mess has made me out to be. In every story such as the one that follows, it seems there's always a love interest who serves to soften and humanize the main character. Someone who illustrates that the real world can be an incredibly complicated place and that judging the whole of a man by the color of his hat -- black or white -- is a myth best left to old western movies. Here, this critical role is played by a loyal old companion that I shall never again see alive.

All told, I'm pleased with the book that follows and I sincerely hope that it helps you make better sense of the carnage I caused and that it promotes intelligent reflection on all that went wrong after my crime had been revealed. But, most importantly, to my victims: I hope this work conveys that I sincerely regret the mistakes I made and, though I recognize I've no right to expect it, that I humbly and respectfully seek understanding and forgiveness from those I've wronged.

Once again, if and when and on your schedule.

Best,

/s/ Darren Berg